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RUEHLO/AMEMBASSY LONDON PRIORITY 4170  
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 9919  
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C O N F I D E N T I A L KATHMANDU 001666

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TAGS: [PGOV](#) [PTER](#) [NP](#)  
SUBJECT: DISCONTENTED PARTIES DISCUSS HOW TO IMPLEMENT  
FLAWED EIGHT-POINT AGREEMENT

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

SUMMARY

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¶1. (SBU) Members of the seven-party alliance (SPA) are meeting to discuss implementation of the eight-point agreement signed with the Maoists on June 16, which they recognize as flawed. During its June 22 discussion, the SPA committed to peace talks as long as party members remained included in all steps of the process. In a separate meeting, members of the government and Maoist dialogue teams met with representatives from the Interim Constitution Drafting Committee (ICDC). The government indicated that it would appoint additional members to the committee, and the ICDC refused to begin working until it received an official appointment. Meanwhile, the Maoists continued their drive to assert authority over citizens. End Summary.

SEVEN-PARTY ALLIANCE CONSENTS TO AGREEMENT BUT LACKS A PLAN  
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¶2. (C) In a June 22 meeting of the SPA at CPN-UML headquarters, party leaders decided to implement the eight-point agreement, but expressed concern that they had not been included in the negotiations and described some of the decisions in the agreement as "faulty." SPA leaders said they were committed to holding talks with the Maoists, but they would first do "intensive homework" because they did not want to repeat "such mistakes" as reaching an agreement without discussion among the party leadership. Leaders expressed dissatisfaction about the provision to dissolve the House of Representatives, claiming the House had "infused new energy among the people." They planned to meet again on June 23 and, according to CPN-UML's MK Nepal, should "correct the past errors and work cautiously to keep the alliance intact." Nepali Congress-Democratic (NC-D) leader Sher Bahadur Deuba and Amrit Bohora of the CPN-UML told journalists after the meeting that the political parties were "positive" toward implementing the eight-point agreement, which they considered to be an historic landmark despite being procedurally flawed. Lilamani Pokharel, Vice President of the People's Front Nepal (PFN), told Emboff that the SPA had failed to reach any conclusions regarding the actual implementation of the eight-point agreement.

¶3. (C) Members of the government and Maoist dialogue teams expressed their commitment to assist the Interim Constitution Drafting Committee (ICDC) during a June 22 meeting with ICDC representatives at the Peace Secretariat. The ICDC stood by its decision not to begin work until its members received formal endorsement letters from the Cabinet that would provide legitimacy to the committee. The dialogue teams hinted that both the government and Maoists might appoint additional members to the ICDC, which had been controversial because of the absence of women. Jhalanath Khanal, Central Committee Member of the CPN-UML, informed us that no office had been set up for the ICDC. Narayan Man Bijukchhe, Chairman of the Nepal Workers and Peasants Party, explained to Emboff that the ICDC had been formed without the knowledge of the SPA leaders. He echoed the comments of other Embassy sources who said the ICDC was incomplete and needed to represent women as well as the spectrum of ethnic, linguistic, and caste groups of Nepal.

MEANWHILE, MAOISTS PLAY "LAW" ENFORCEMENT  
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¶4. (U) Media reported that on June 22, Maoists abducted the former mayor of Tansen in Palpa District, western Nepal. The rebels "charged" former mayor Dhatananda Bhattarai, who had been nominated by the royal government, with helping the royal regime and ignoring Maoist orders. Bhattarai had ignored Maoist pressure to step down as mayor and disregarded a five-year exile from the district that Maoists had imposed on him in early May. The Maoist chief in Palpa announced that the rebels had taken Bhattarai under control to investigate why he had "turned a deaf ear" to the orders.

Separately, a man arrested by Maoists in early June in Dolakha District, central Nepal, allegedly escaped "custody," but then, according to the Maoists, committed "suicide." Maoists claimed that the man had confessed to killing his wife and, depressed, had hanged himself.

COMMENT  
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¶5. (C) The seven-party alliance's meeting publicly expressing concern about Maoist arms management and the timing of dissolving Parliament, even while accepting the eight-point agreement, is positive and should serve to put the Maoists on notice that the government will not deliver itself straight into the Maoists' hands. However, it also highlights the disorganization of the SPA and stands in stark contrast to the Maoists who have gone directly to the countryside to begin campaigning for their positions. That said, from all indications, the SPA is beginning to realize it must stand up for its principles and do the hard work necessary for peace talks to proceed rather than cave in to Maoist pressure.

MORIARTY